

SECOND REGULAR SESSION

# HOUSE BILL NO. 1472

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES CARTER (Sponsor), JONES (63), DIECKHAUS, HUMMEL, COLONA, LAMPE, AULL, McNEIL, NASHEED, McCANN BEATTY, NEWMAN, KIRKTON, NICHOLS, SMITH (71), HUGHES, MAY, MORGAN, CARLSON, MONTECILLO, WEBB, STILL AND ELLINGER (Co-sponsors).

4265L.01I

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 169.460, RSMo, and to enact in lieu thereof one new section relating to teacher retirement.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 169.460, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 169.460, to read as follows:

169.460. 1. Any member may retire and receive a normal pension upon his written application to the board of trustees setting forth at what time not less than fifteen days nor more than one hundred eighty days subsequent to the execution and filing of such application he desires to be retired; provided, that the member at the time so specified for his retirement either (a) shall have attained age sixty-five or (b) shall have attained an age which when added to the number of years of credited service of such member shall total a sum not less than [eighty-five] **eighty**. For purposes of computing any member's age under this section, the board shall, if necessary, add to his actual age any accumulated and unused days of sick leave included in his credited service.

2. Upon retirement pursuant to subsection 1 of this section, a member shall receive an annual pension payable in monthly installments equal to his number of years of credited service multiplied by two percent of his average final compensation subject to a maximum pension of sixty percent of his average final compensation.

3. A member who is not eligible for normal pension pursuant to subsection 1 of this section but who has attained age sixty and has five or more years of credited service may make

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 application in the same manner as pursuant to subsection 1 of this section for an early pension.  
17 His early pension shall be computed pursuant to subsection 2 of this section, but shall be reduced  
18 by five-ninths of one percent for each month such member's early retirement date precedes the  
19 earliest date he could have received a normal pension pursuant to subsection 1 of this section had  
20 his service continued.

21 4. Upon the written application of the member or of the employing board, any active  
22 member who has five or more years of credited service with such board and does not qualify for  
23 a normal pension pursuant to subsection 1 of this section may be retired by the board of trustees,  
24 not less than fifteen days and not more than one hundred eighty days next following the date of  
25 filing such application, and receive a disability pension, provided, that the medical board after  
26 a medical examination of such member or such member's medical records shall certify that such  
27 member is unable to further perform his duties due to mental or physical incapacity, and that  
28 such incapacity is likely to be permanent and that such member should be retired; or, provided  
29 the member furnishes evidence of the receipt of disability benefits under the federal Old Age,  
30 Survivors and Disability Insurance System of the Social Security Act. The determination of the  
31 board of trustees in the matter shall be final and conclusive. A member being retired pursuant  
32 to this subsection who has accumulated unused vacation and sick leave may elect to have the  
33 commencement of his disability pension deferred for more than one hundred eighty days during  
34 the period he is entitled to vacation and sick pay.

35 5. Upon retirement for disability, a member shall receive a disability pension until such  
36 time as he meets the requirements for a normal pension pursuant to subsection 1 of this section,  
37 at which time his disability pension will be deemed to be a normal pension. The member's  
38 disability pension shall be the larger of:

39 (1) A normal pension based on his credited service to the date of his retirement for  
40 disability and calculated as if he were age sixty-five; or

41 (2) One-fourth of his average final compensation; except that such benefit shall not  
42 exceed the normal pension which he would have received upon retirement if his service had  
43 continued and he had satisfied the eligibility requirements of subsection 1 of this section and had  
44 his final average compensation been unchanged.

45 6. Once each year during the first five years following retirement for disability and once  
46 in every three-year period thereafter while receiving a disability pension, the board of trustees  
47 may, and shall, require any member receiving a disability pension who has not yet become  
48 eligible for a normal pension pursuant to subsection 1 of this section to undergo a medical  
49 examination at a place designated by the medical board or by a physician or physicians  
50 designated by such board. If any such member receiving a disability pension refuses to submit  
51 to such medical examination, his benefit may be discontinued until his withdrawal of such

52 refusal, and if his refusal continues for one year, all rights in and to his pension may be revoked  
53 by the board of trustees.

54         7. If the board of trustees finds that any member receiving a disability pension is engaged  
55 in or is able to engage in a gainful occupation paying more than the difference between his  
56 disability pension plus benefits, if any, to which he and his family are eligible under the federal  
57 Old Age, Survivors and Disability Insurance System of the Social Security Act and the current  
58 rate of monthly compensation for the position he held at retirement, then the amount of his  
59 disability pension shall be reduced to an amount which together with the amount earnable by him  
60 shall equal such current rate of monthly compensation. The decisions of the board of trustees  
61 in regard to such modification of disability benefits shall be final and conclusive.

62         8. If any member receiving a disability pension is restored to service as an employee, he  
63 shall again become an active member of the retirement system and contribute thereunder. His  
64 credited service at the time of his retirement for disability shall be restored and the excess of his  
65 accumulated contributions at his retirement for disability over the total disability pension  
66 payments which he received shall be credited to his account.

67         9. If a member with fewer than five years credited service ceases to be an employee,  
68 except by death, he shall be paid the amount of his accumulated contributions in accordance with  
69 applicable provisions of the Internal Revenue Code.

70         10. If a member with five years or more credited service ceases to be an employee,  
71 except by death or retirement, he shall be paid on demand the amount of his accumulated  
72 contributions, or he may leave his accumulated contributions with the retirement system and be  
73 an inactive member and claim a retirement benefit at any time after he reaches the minimum age  
74 for retirement, except that if such a member's accumulated contributions do not exceed the  
75 involuntary distribution limits under provisions of the Internal Revenue Code, the member must  
76 elect to become an inactive member within thirty days of employment separation to avoid  
77 application of the involuntary distribution provisions of the Internal Revenue Code. When an  
78 inactive member presents his valid claim to the board of trustees, he shall be granted a benefit  
79 at such time and for such amount as is available pursuant to subsection 2 or 3 of this section in  
80 accordance with the provisions of law in effect at the time his active membership ceased. The  
81 accumulated contributions of an inactive member may be withdrawn at any time upon ninety  
82 days' notice or such shorter notice as is approved by the board of trustees. If an inactive member  
83 dies before retirement, his accumulated contributions shall be paid to his designated beneficiary,  
84 if living, otherwise to the estate of the member. A member's accumulated contributions shall not  
85 be paid to him so long as he remains in service as an employee.

86         11. Any member upon retirement shall receive his pension payable throughout life  
87 subject to the provision that if his death occurs before he has received total benefits at least as

88 large as his accumulated contributions at retirement, the difference shall be paid in one sum to  
89 his designated beneficiary, if living, otherwise to the estate of the retired member.

90 12. Prior to the date of retirement pursuant to subsection 2, 3, or 4 of this section, a  
91 member may elect to receive the actuarial equivalent of his pension in a lesser amount, payable  
92 throughout life under one of the following options with the provision that:

93 Option 1. Upon his death, his pension shall be continued throughout the life of and paid  
94 to his beneficiary, or

95 Option 2. Upon his death, one-half of his pension shall be continued throughout the life  
96 of and paid to his beneficiary, or

97 Option 3. Upon his death, his pension shall be continued throughout the life of and paid  
98 to his beneficiary, provided that in the event his designated beneficiary predeceases him, then  
99 his pension shall be adjusted effective the first day of the month following the month in which  
100 his designated beneficiary died to the amount determined pursuant to subsection 2 or 3 of this  
101 section at the time of his retirement, or

102 Option 4. Upon his death, one-half of his pension shall be continued throughout the life  
103 of and paid to his beneficiary, provided that in the event his designated beneficiary predeceases  
104 him, then his pension shall be adjusted effective the first day of the month following the month  
105 in which his designated beneficiary died to the amount determined pursuant to subsection 2 or  
106 3 of this section at the time of his retirement.

107 Option 5. Prior to age sixty-two the member will receive an increased pension, where  
108 the total pension prior to age sixty-two is approximately equal to the pension after age sixty-two  
109 plus the member's estimated federal Social Security benefit, provided that the reduced pension  
110 after age sixty-two is not less than one-half the pension the member could have received had no  
111 option been elected. A member may elect a combination of Option 1 and Option 5, or Option 2  
112 and Option 5. The survivor benefits payable to a beneficiary, other than the spouse of the retired  
113 member, under any of the foregoing options shall in no event exceed fifty percent of the actuarial  
114 equivalent of the pension determined pursuant to subsection 2 or 3 of this section at the time of  
115 retirement.

116 13. If an option has been elected pursuant to subsection 12 of this section, and both the  
117 retired member and beneficiary die before receiving total benefits as large as the member's  
118 accumulated contributions at retirement, the difference shall be paid to the designated beneficiary  
119 of the person last entitled to benefits, if living, otherwise to the estate of the person last entitled  
120 to benefits.

121 14. If an active member dies while an employee and with five or more years of credited  
122 service and a dependent of the member is designated as beneficiary to receive his accumulated  
123 contributions, such beneficiary may, in lieu thereof, request that benefits be paid under option

1, subsection 12 of this section, as if the member had attained age sixty, if the member was less than sixty years of age at the time of his death, and had retired under such option as of the date of death, provided that under the same circumstances a member may provide by written designation that benefits must be paid pursuant to option 1 to such beneficiary. In addition to benefits received under option 1, subsection 12 of this section, a surviving spouse receiving benefits under this subsection shall receive sixty dollars per month for each unmarried dependent child of the deceased member who is under twenty-two years of age and is in the care of the surviving spouse; provided, that if there are more than three such unmarried dependent children one hundred eighty dollars shall be divided equally among them. A "dependent beneficiary" for the purpose of this subsection only shall mean either the surviving spouse or a person who at the time of the death of the member was receiving at least one-half of his support from the member, and the determination of the board of trustees as to whether a person is a dependent shall be final.

15. In lieu of accepting the payment of the accumulated contributions of a member who dies after having at least eighteen months of credited service and while an employee, an eligible beneficiary or, if no surviving eligible beneficiary, the unmarried dependent children of the member under twenty-two years of age may elect to receive the benefits pursuant to subdivision (1), (2), (3), or (4) of this subsection. An "eligible beneficiary" is the surviving spouse, unmarried dependent children under twenty-two years of age or dependent parents of the member, if designated as beneficiary. A "dependent" is one receiving at least one-half of his support from the member at his death.

(1) A surviving spouse who is sixty-two years of age at the death of the member or upon becoming such age thereafter, and who was married to the member at least one year, may receive sixty dollars per month for life. A spouse may receive this benefit after receiving benefits pursuant to subdivision (2) of this subsection;

(2) A surviving spouse who has in his or her care an unmarried dependent child of the deceased member under twenty-two years of age may receive sixty dollars per month plus sixty dollars per month for each child under twenty-two years of age but not more than a total of two hundred forty dollars per month;

(3) If no benefits are payable pursuant to subdivision (2) of this subsection, unmarried dependent children under the age of twenty-two may receive sixty dollars each per month; provided that if there are more than three such children one hundred eighty dollars per month shall be divided equally among them;

(4) A dependent parent upon attaining sixty-two years of age may receive sixty dollars per month as long as not remarried provided no benefits are payable at any time pursuant to subdivision (1), (2), or (3) of this subsection. If there are two dependent parents entitled to benefits, sixty dollars per month shall be divided equally between them;

160 (5) If the benefits pursuant to this subsection are elected and the total amount paid is less  
161 than an amount equal to the accumulated contributions of a member at his death, the difference  
162 shall be payable to the beneficiary or the estate of the beneficiary last entitled to benefits.

163 16. If a member receiving a normal pension again becomes an active member, his  
164 pension benefit payments shall cease during such membership and shall be resumed upon  
165 subsequent retirement together with such pension benefit as shall accrue by reason of his latest  
166 period of membership. Except as otherwise provided in section 105.269, a retired member may  
167 not receive a pension benefit for any month for which he receives compensation from an  
168 employing board, except he may serve as a part-time or temporary employee for not to exceed  
169 sixty days in any calendar year without becoming a member and without having his pension  
170 benefit discontinued. A retired member may also serve as a member of the board of trustees and  
171 receive any reimbursement for expenses allowed him because of such service without becoming  
172 an active member and without having his pension benefit discontinued or reduced.

173 17. Upon approval of the board of trustees, any member may make contributions in  
174 addition to those required. Any additional contributions shall be accumulated at interest and paid  
175 in addition to the benefits provided hereunder. The board of trustees shall make such rules and  
176 regulations as it deems appropriate in connection with additional contributions including  
177 limitations on amounts of contributions and methods of payment of benefits.

178 18. Notwithstanding any other provisions of this section, any member retiring on or after  
179 age sixty-five who has five or more years of credited service shall be entitled to an annual  
180 pension of the lesser of (a) an amount equal to his number of years of credited service multiplied  
181 by one hundred twenty dollars, or (b) one thousand eight hundred dollars. Upon the death of  
182 such member, any benefits payable to the beneficiary of such member shall be computed as  
183 otherwise provided.

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